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What you should know about your future social security benefits: A Speech for CPAs to deliver to general audiences

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Recommended Citation

American Institute of Certified Public Accountants. Communications Division, "What you should know about your future social security benefits: A Speech for CPAs to deliver to general audiences" (1992). *Guides, Handbooks and Manuals*. 312.
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**WHAT YOU SHOULD KNOW ABOUT
YOUR FUTURE SOCIAL SECURITY BENEFITS**

A SPEECH FOR CPAS TO DELIVER TO GENERAL AUDIENCES

PRODUCT #890662

JANUARY 1992

PREPARED BY:

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AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
1211 AVENUE OF THE AMERICAS, NEW YORK, NY 10036**

HOW MANY OF YOU ARE FULLY AWARE OF WHAT HAPPENS TO THE SOCIAL SECURITY TAXES THAT ARE REGULARLY DEDUCTED FROM YOUR PAYCHECK? I CAN TELL FROM SOME OF YOUR EXPRESSIONS THAT MANY OF YOU PROBABLY DON'T KNOW. LET ME ASSURE YOU THAT YOU ARE NOT ALONE. IT'S AMAZING JUST HOW LITTLE MOST PEOPLE KNOW ABOUT SOCIAL SECURITY. SINCE SOCIAL SECURITY EVENTUALLY PLAYS A PROMINENT ROLE IN ALL OF OUR LIVES, I THINK WE OWE IT TO OURSELVES -- AND TO OUR FAMILIES -- TO GET ALL THE FACTS AS SOON AS POSSIBLE.

TODAY, WE WILL COVER SOME OF THE BASIC PRINCIPLES YOU SHOULD KNOW ABOUT SOCIAL SECURITY, SO THAT YOU CAN MAKE THE RIGHT DECISIONS TO ENSURE A SOUND FINANCIAL FUTURE. I WILL THROW OUT QUITE A FEW NUMBERS, BUT DON'T WORRY ABOUT TAKING NOTES. AFTER MY TALK, I WILL GIVE YOU A BROCHURE WHICH SUMMARIZES SOME OF THE MORE IMPORTANT POINTS YOU SHOULD KNOW ABOUT SOCIAL SECURITY.*

IN A NUTSHELL, SOCIAL SECURITY IS OUR NATION'S METHOD OF PROVIDING AN ONGOING BASIC LEVEL OF INCOME FOR YOU AND YOUR FAMILY WHEN YOU RETIRE, IF YOU BECOME DISABLED, OR WHEN YOU DIE. TODAY, ALMOST ALL AMERICANS ARE COVERED BY SOCIAL SECURITY PROTECTION AS WORKERS OR AS DEPENDENTS OF WORKERS. ABOUT 39 MILLION PEOPLE -- THAT'S ALMOST ONE OUT OF EVERY SIX AMERICANS -- COLLECT SOME KIND OF SOCIAL SECURITY BENEFIT.

* To order the brochure, "Planning For The Future: Your Social Security Benefits," see page 12.

THESE BENEFITS TOTALED MORE THAN \$240 BILLION IN 1990. MOST LIKELY, YOU TOO WILL FIND YOURSELF THE RECIPIENT OF SOCIAL SECURITY BENEFITS ONE DAY.

THE MOST IMPORTANT POINT I WILL MAKE TODAY IS THAT SOCIAL SECURITY IS NOT INTENDED TO BE YOUR ONLY SOURCE OF INCOME DURING RETIREMENT OR DISABILITY. RATHER, IT SHOULD BE THE FOUNDATION ON WHICH YOU BUILD ADDITIONAL FINANCIAL PLANS. I STRONGLY ADVISE YOU TO SUPPLEMENT YOUR FUTURE SOCIAL SECURITY INCOME WITH OTHER INVESTMENTS, SUCH AS PENSIONS, INSURANCE, SAVINGS, AND PERSONAL RETIREMENT SAVINGS ACCOUNTS.

THE BASIC IDEA BEHIND SOCIAL SECURITY IS A SIMPLE ONE. YOU PAY TAXES INTO THE SYSTEM DURING YOUR WORKING YEARS, AND YOU AND MEMBERS OF YOUR FAMILY RECEIVE MONTHLY BENEFITS WHEN YOU RETIRE OR BECOME DISABLED. OR, YOUR SURVIVORS COLLECT BENEFITS WHEN YOU DIE. IN EFFECT, YOUR SOCIAL SECURITY TAXES PAY FOR YOUR PARENTS' BENEFITS, AND YOUR CHILDREN'S SOCIAL SECURITY TAXES WILL PAY FOR YOUR FUTURE BENEFITS.

MOST PEOPLE TEND TO THINK OF SOCIAL SECURITY AS A RETIREMENT PROGRAM. ALTHOUGH THIS IS PARTLY TRUE, MANY PEOPLE RECEIVE SOCIAL SECURITY BENEFITS BECAUSE THEY ARE DISABLED; BECAUSE THEY ARE A DEPENDENT OF SOMEONE WHO GETS SOCIAL SECURITY; OR BECAUSE THEY ARE A WIDOW, WIDOWER, OR CHILD OF SOMEONE WHO HAS DIED. SO, DEPENDING ON YOUR CIRCUMSTANCES, YOU COULD BE ELIGIBLE FOR SOCIAL SECURITY AT ANY AGE.

IT ALL STARTS WITH YOUR SOCIAL SECURITY NUMBER. I'M SURE THAT MOST OF YOU -- IF NOT ALL OF YOU -- KNOW YOUR SOCIAL SECURITY NUMBERS AS WELL AS YOUR OWN NAMES. THE SOCIAL SECURITY NUMBER IS THE MOST FREQUENTLY USED RECORDKEEPING NUMBER IN AMERICA TODAY. EVEN MOST YOUNG CHILDREN HAVE A NUMBER BECAUSE TAX LAW REQUIRES THAT A SOCIAL SECURITY NUMBER BE SHOWN ON TAX RETURNS FOR ALL DEPENDENTS AGE ONE AND OLDER. THE SOCIAL SECURITY ADMINISTRATION USES YOUR SOCIAL SECURITY NUMBER TO TRACK YOUR EARNINGS WHILE YOU'RE WORKING AND TO TRACK YOUR BENEFITS ONCE YOU'RE ELIGIBLE TO RECEIVE THEM.

BEFORE YOU ARE ENTITLED TO RECEIVE ANYTHING, HOWEVER, YOU MUST WORK A REQUIRED NUMBER OF YEARS AND EARN A CERTAIN AMOUNT OF CREDITS. THIS CREDIT IS CALLED "QUARTERS OF COVERAGE" AND YOU MAY EARN A MAXIMUM OF FOUR PER YEAR. IN 1992, YOU RECEIVE ONE CREDIT, OR QUARTER OF COVERAGE, FOR EACH \$570 YOU EARN. KEEP IN MIND THAT THIS AMOUNT INCREASES EVERY YEAR TO HELP KEEP PACE WITH INCREASES IN AVERAGE WAGES.

THE NUMBER OF CREDITS YOU NEED TO QUALIFY FOR BENEFITS DEPENDS ON YOUR AGE AND THE KIND OF BENEFIT FOR WHICH YOU ARE APPLYING. MOST PEOPLE NEED 40 CREDITS -- WHICH EQUALS TEN YEARS OF WORK -- BEFORE THEY CAN RECEIVE MONTHLY BENEFITS AT RETIREMENT AGE. THE NUMBER OF CREDITS NEEDED FOR DISABILITY OR SURVIVORS' BENEFITS DEPENDS ON HOW OLD YOU ARE WHEN YOU BECOME DISABLED OR DIE.

DURING THE COURSE OF YOUR WORKING LIFETIME, YOU WILL MOST LIKELY EARN MANY MORE CREDITS THAN YOU NEED TO QUALIFY FOR SOCIAL SECURITY BENEFITS. HOWEVER, THIS WILL NOT NECESSARILY INCREASE YOUR FUTURE SOCIAL SECURITY BENEFIT. BUT IT WILL INCREASE YOUR "AVERAGE" LIFETIME EARNINGS, WHICH IS THE BASIS FOR DETERMINING THE AMOUNT OF YOUR BENEFIT. WE'LL TALK MORE ABOUT AVERAGE LIFETIME EARNINGS IN A FEW MINUTES.

AS YOU WORK, YOU PAY TAXES FOR SOCIAL SECURITY AND MEDICARE. IF YOU WORK FOR SOMEONE ELSE, YOU AND YOUR EMPLOYER EACH PAY 7.65 PERCENT OF YOUR GROSS SALARY IN SOCIAL SECURITY TAXES. IF YOU ARE SELF-EMPLOYED, YOU PAY 15.3 PERCENT OF YOUR TAXABLE INCOME ON YOUR OWN. (HOWEVER, THERE ARE SPECIAL DEDUCTIONS SELF-EMPLOYED PEOPLE CAN TAKE WHEN THEY FILE THEIR TAX RETURNS.) THE MEDICARE PORTION OF THE SOCIAL SECURITY TAX IS 1.45 PERCENT FOR EMPLOYERS AND EMPLOYEES EACH, AND 2.9 PERCENT FOR SELF-EMPLOYED PEOPLE.

THE SOCIAL SECURITY TAX DEDUCTION IS USUALLY LABELED "FICA" ON YOUR PAY STUB. FICA STANDS FOR FEDERAL INSURANCE CONTRIBUTIONS ACT, WHICH IS THE LAW THAT AUTHORIZED THE SOCIAL SECURITY PAYROLL TAX. KEEP IN MIND THAT CONGRESS DOES SET A LIMIT ON HOW MUCH OF YOUR EARNINGS IS TAXABLE. IN 1992, THE LIMIT IS \$55,500. IF YOU MAKE OVER \$55,500, YOU CONTINUE TO PAY THE MEDICARE PORTION OF THE TAX UP TO A LIMIT OF \$130,200.

YOU'RE PROBABLY ASKING YOURSELF NOW: WHAT'S IN IT FOR ME? WHAT DO I GET FOR PAYING THESE TAXES? THE ANSWER IS: A PACKAGE OF PROTECTION -- CONSISTING OF RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE FOR YOU AND YOUR FAMILY WHILE YOU WORK AND AFTER YOU RETIRE. AS LONG AS YOU HAVE THE REQUIRED AMOUNT OF CREDITS, GENERALLY YOU WILL RECEIVE SOCIAL SECURITY BENEFITS IF YOU ARE:

- AGE 62 OR OLDER AND ARE RETIRED.
- UNABLE TO WORK BECAUSE OF AN ILLNESS OR INJURY EXPECTED TO LAST A YEAR OR LONGER, OR LESS UNDER CERTAIN CIRCUMSTANCES.
- A WIDOW OR WIDOWER WHO IS AGE 60 OR OLDER; A WIDOW OR WIDOWER AGE 50 AND DISABLED; OR A HUSBAND, WIFE, WIDOW OR WIDOWER OF ANY AGE WHO CARES FOR A CHILD WHO IS UNDER AGE 16 OR PERMANENTLY DISABLED.
- A DEPENDENT OF A WORKER WHO RETIRES, BECOMES SEVERELY DISABLED OR DIES.

ADDITIONALLY, WHEN YOU START COLLECTING SOCIAL SECURITY BENEFITS, OTHER MEMBERS OF YOUR FAMILY MAY ALSO BE ELIGIBLE FOR PAYMENTS ON YOUR RECORD. FOR INSTANCE, A SPOUSE WHO IS AGE 62 OR OLDER MAY BE ELIGIBLE AS LONG AS HE OR SHE DOES NOT COLLECT A HIGHER SOCIAL SECURITY BENEFIT ON HIS OR HER OWN RECORD. IF

YOU OR YOUR SPOUSE ARE CARING FOR A CHILD WHO IS UNDER AGE 16 OR WHO IS PERMANENTLY DISABLED, HE OR SHE MAY BE ELIGIBLE AT ANY AGE.

OTHERS WHO MAY BE ELIGIBLE FOR PAYMENTS ON YOUR RECORD INCLUDE CHILDREN WHO ARE UNMARRIED AND UNDER AGE 18; OR UNDER AGE 19 IF THEY ARE ENROLLED IN ELEMENTARY OR SECONDARY SCHOOL AS A FULL-TIME STUDENT; OR OVER AGE 18 BUT SEVERELY DISABLED, AS LONG AS THE DISABILITY STARTED BEFORE AGE 22.

IT IS INTERESTING TO NOTE THAT EVEN YOUR EX-SPOUSE, AGE 62 OR OLDER, MAY RECEIVE BENEFITS ON YOUR RECORD AS LONG AS HE OR SHE IS NOT ELIGIBLE FOR AN EQUAL OR HIGHER BENEFIT ON HIS OR HER OWN RECORD, OR ON SOMEONE ELSE'S RECORD. IN ADDITION, HE OR SHE MUST HAVE BEEN MARRIED TO YOU FOR AT LEAST TEN YEARS. LET ME ADD THAT IF YOUR EX-SPOUSE DOES RECEIVE BENEFITS ON YOUR ACCOUNT, IT WILL NOT AFFECT THE AMOUNT OF ANY BENEFITS PAYABLE TO YOU OR TO OTHER FAMILY MEMBERS.

GENERALLY, FAMILY MEMBERS ARE ELIGIBLE TO RECEIVE 50 PERCENT OF YOUR RETIREMENT OR DISABILITY BENEFITS. ALSO, THERE IS A LIMIT TO THE AMOUNT OF MONEY THAT CAN BE PAID ON AN INDIVIDUAL'S SOCIAL SECURITY RECORD. THE LIMIT VARIES, BUT IT IS GENERALLY EQUAL TO ABOUT 150 TO 180 PERCENT OF YOUR BENEFIT RATE. IF THE SUM OF THE BENEFITS PAYABLE ON YOUR ACCOUNT IS GREATER THAN THIS FAMILY LIMIT, THEN BENEFITS TO FAMILY MEMBERS WILL BE REDUCED PROPORTIONATELY. YOUR OWN BENEFIT, HOWEVER, WILL NOT BE AFFECTED.

BUT JUST HOW MUCH WILL YOU GET FROM SOCIAL SECURITY? ESSENTIALLY, THE AMOUNT OF YOUR BENEFIT DEPENDS ON SUCH FACTORS AS YOUR DATE OF BIRTH, THE TYPE OF BENEFIT YOU ARE APPLYING FOR, AND MOST IMPORTANTLY, YOUR AVERAGE LIFETIME EARNINGS ON WHICH YOU PAID SOCIAL SECURITY TAXES. CURRENTLY, THE AVERAGE MONTHLY SOCIAL SECURITY BENEFIT FOR A RETIRED WORKER IS \$629.00. THE MAXIMUM MONTHLY BENEFIT FOR A WORKER RETIRING AT AGE 65 IN 1992 IS \$1,088.00. OF COURSE, THE AMOUNT YOU RECEIVE WILL DEPEND ON YOUR OWN PARTICULAR CASE.

IN EFFECT, YOUR SOCIAL SECURITY BENEFIT REPRESENTS A PERCENTAGE OF YOUR AVERAGE MONTHLY WORKING INCOME BASED ON YOUR LIFETIME EARNINGS HISTORY. IF YOU EARNED AN AVERAGE INCOME DURING YOUR WORKING YEARS, THAT PERCENTAGE IS APPROXIMATELY 42 PERCENT. FOR PEOPLE IN UPPER INCOME BRACKETS, THE PERCENTAGE IS LOWER. AND FOR PEOPLE WITH LOWER INCOMES, THE PERCENTAGE IS HIGHER. KEEP IN MIND THAT THE LOWEST FIVE YEARS OF ANNUAL EARNINGS ARE NOT COUNTED IN FIGURING YOUR AVERAGE LIFETIME EARNINGS. ADDITIONALLY, EARNINGS ARE ADJUSTED TO REFLECT CHANGES IN WAGE LEVELS OVER YOUR WORKING LIFETIME.

NATURALLY, IT IS A GOOD IDEA TO KEEP TRACK OF YOUR EARNINGS TO MAKE SURE THEY ARE RECORDED CORRECTLY. TO DO THIS, YOU CAN OBTAIN FORM SSA-7004-PC, REQUEST FOR EARNINGS AND BENEFIT ESTIMATE, FROM YOUR LOCAL SOCIAL SECURITY OFFICE AND SEND IT TO THE SOCIAL SECURITY ADMINISTRATION. FOR YOUR OWN BENEFIT, I STRONGLY RECOMMEND THAT YOU DO THIS EVERY THREE YEARS.

WHILE WE'RE ON THE SUBJECT OF BENEFITS, LET'S TALK A LITTLE ABOUT HOW THESE BENEFITS MAY OR MAY NOT BE TAXABLE. VERY FEW PEOPLE WHO RECEIVE SOCIAL SECURITY WILL HAVE TO PAY TAXES ON THEIR BENEFITS. HOWEVER, IF YOU ARE IN A HIGH-INCOME TAX BRACKET, YOU MAY HAVE TO PAY TAXES ON ONE-HALF OF YOUR SOCIAL SECURITY BENEFITS. OTHERS MAY HAVE TO PAY TAXES ON A SMALLER AMOUNT OF THEIR BENEFIT.

GENERALLY, YOUR COMBINED INCOME DETERMINES WHETHER OR NOT YOUR SOCIAL SECURITY BENEFITS ARE TAXABLE. COMBINED INCOME CONSISTS OF YOUR ADJUSTED GROSS INCOME, PLUS ANY NONTAXABLE INTEREST, PLUS ONE-HALF OF YOUR SOCIAL SECURITY BENEFITS. IF YOUR COMBINED INCOME IS LESS THAN YOUR BENEFITS, NONE OF YOUR BENEFITS ARE TAXABLE. ON THE OTHER HAND, YOU WILL HAVE TO PAY INCOME TAX ON YOUR SOCIAL SECURITY BENEFITS IF ANY OF THE FOLLOWING APPLY TO YOU.

- YOUR COMBINED INCOME EXCEEDS A BASE AMOUNT OF \$25,000 AND YOU FILE A FEDERAL TAX RETURN AS AN INDIVIDUAL.
- YOUR COMBINED INCOME EXCEEDS A BASE AMOUNT OF \$32,000 AND YOU FILE A JOINT FEDERAL TAX RETURN WITH YOUR SPOUSE.
- YOU ARE MARRIED AND LIVE WITH YOUR SPOUSE AND YOU FILE A SEPARATE TAX RETURN. IN THIS CASE, THERE IS NO BASE AMOUNT.

LET'S TALK ABOUT WHEN YOU WILL BE ELIGIBLE FOR RETIREMENT BENEFITS. AS MOST OF YOU PROBABLY KNOW, TODAY THE AGE WHEN YOU CAN RETIRE AND RECEIVE FULL RETIREMENT BENEFITS IS 65. AS LONG AS YOU WERE BORN BEFORE 1938, YOU ARE ELIGIBLE FOR FULL SOCIAL SECURITY RETIREMENT BENEFITS AT THE AGE OF 65. HOWEVER, MANY OF YOU MAY NOT KNOW THAT BEGINNING IN THE YEAR 2000, THE AGE AT WHICH FULL RETIREMENT BENEFITS ARE PAYABLE WILL GRADUALLY INCREASE FROM AGE 65 TO 67.

THIS PROVISION ONLY AFFECTS THOSE WHO WERE BORN IN 1938 AND LATER. FOR EXAMPLE, IF YOU WERE BORN IN 1940, YOUR FULL RETIREMENT AGE IS 65 AND 6 MONTHS. IF YOU WERE BORN IN 1950, YOUR FULL RETIREMENT AGE IS 66. THOSE BORN AFTER 1960 WILL BE ELIGIBLE FOR FULL RETIREMENT BENEFITS AT AGE 67.

NO MATTER WHAT YOUR FULL RETIREMENT AGE IS, YOU MAY START RECEIVING BENEFITS AS EARLY AS AGE 62. HOWEVER, IF YOU RETIRE BETWEEN THE AGES OF 62 AND 64, YOUR BENEFITS WILL BE PERMANENTLY REDUCED BY A SMALL PERCENTAGE FOR EACH MONTH BEFORE YOUR FULL RETIREMENT AGE. ON THE PLUS SIDE TO THIS, YOU WILL COLLECT BENEFITS FOR A LONGER PERIOD OF TIME.

OR, IF YOU'RE THE AMBITIOUS TYPE, YOU MAY CHOOSE TO CONTINUE WORKING BEYOND YOUR FULL RETIREMENT AGE. IF YOU DO, YOU WILL RECEIVE A LARGER SOCIAL SECURITY BENEFIT BECAUSE

WORKING BEYOND AGE 65 WILL INCREASE YOUR AVERAGE LIFETIME EARNINGS. ANOTHER ADVANTAGE TO THIS IS THAT YOU WILL GET A SPECIAL CREDIT FOR DELAYING RETIREMENT. FOR PEOPLE TURNING 65 IN 1992, THE DELAYED RETIREMENT CREDIT IS FOUR PERCENT FOR EVERY YEAR THEY DELAY RETIREMENT UP TO AGE 70. THAT RATE WILL GRADUALLY INCREASE IN FUTURE YEARS, UNTIL IT REACHES EIGHT PERCENT PER YEAR FOR PEOPLE TURNING 65 IN THE YEAR 2008 OR LATER.

EACH PERSON'S FINANCIAL AND PERSONAL SITUATION IS DIFFERENT. I WOULD SUGGEST THAT YOU CONTACT YOUR LOCAL SOCIAL SECURITY OFFICE TO GET THE SPECIFICS ON YOUR PARTICULAR CASE. THEN, YOU CAN DECIDE WHEN YOU SHOULD RETIRE BASED ON WHAT'S BEST FOR YOU.

LET ME JUST POINT OUT THAT IF YOU DECIDE TO CONTINUE WORKING AFTER YOUR FULL RETIREMENT AGE AND COLLECT SOCIAL SECURITY BENEFITS AT THE SAME TIME, THERE IS A LIMIT TO THE AMOUNT OF MONEY YOU CAN EARN BEFORE YOUR BENEFITS ARE REDUCED. FOR EXAMPLE, IF YOU ARE UNDER AGE 65, FOR EVERY \$2.00 YOU MAKE OVER \$7,440, YOUR BENEFIT WILL BE REDUCED BY \$1.00. IF YOU ARE AGE 65 THROUGH 69, FOR EVERY \$3.00 YOU MAKE OVER \$10,200, YOUR BENEFIT WILL BE REDUCED BY \$1.00. IF YOU ARE 70 OR OLDER, THERE IS NO RESTRICTION ON YOUR OUTSIDE EARNINGS.

NOW I'D LIKE TO TAKE SOME TIME TO DISCUSS MEDICARE BENEFITS. YOU WILL BE ELIGIBLE FOR MEDICARE -- AS LONG AS YOU ARE ELIGIBLE FOR SOCIAL SECURITY -- WHEN YOU REACH AGE 65, EVEN IF YOU KEEP ON WORKING. YOU'RE ALSO ELIGIBLE FOR MEDICARE IF YOU ARE UNDER AGE 65 AND YOU HAVE BEEN RECEIVING DISABILITY BENEFITS FOR TWO YEARS, OR YOU HAVE PERMANENT KIDNEY FAILURE. OTHERS WHO MAY BE ELIGIBLE FOR MEDICARE INCLUDE A SPOUSE WHO IS AGE 65, DEPENDENTS WHO HAVE BEEN RECEIVING DISABILITY BENEFITS FOR TWO YEARS, OR DEPENDENTS WITH PERMANENT KIDNEY FAILURE.

MEDICARE IS DIVIDED INTO TWO PARTS -- HOSPITAL INSURANCE, CALLED PART A COVERAGE, AND MEDICAL INSURANCE, CALLED PART B COVERAGE. THERE IS NO MONTHLY PREMIUM CHARGE FOR PART A, BECAUSE, AS I MENTIONED EARLIER, A PORTION OF YOUR FICA TAXES IS EARMARKED FOR IT WHILE YOU ARE WORKING. HOWEVER, IF YOU DO NOT QUALIFY FOR SOCIAL SECURITY BENEFITS, YOU CAN PURCHASE PART A COVERAGE. HOSPITAL INSURANCE, OR MEDICARE PART A, HELPS PAY FOR INPATIENT HOSPITAL CARE, INPATIENT CARE IN A SKILLED NURSING FACILITY, HOME HEALTH CARE, AND HOSPICE CARE.

MEDICAL INSURANCE, OR MEDICARE PART B, IS FINANCED BY MONTHLY PREMIUMS PAID BY PEOPLE WHO CHOOSE TO ENROLL. PART B COVERAGE HELPS PAY THE COST OF YOUR DOCTOR'S SERVICES, OUTPATIENT HOSPITAL SERVICES, AND MANY OTHER MEDICAL SERVICES AND SUPPLIES THAT ARE NOT COVERED BY MEDICARE PART A.

YOU CAN APPLY FOR MEDICARE AT ANY SOCIAL SECURITY OFFICE THREE MONTHS BEFORE YOU REACH AGE 65. IF YOU WAIT TO APPLY FOR MEDICARE UNTIL THE MONTH YOU REACH AGE 65 OR LATER, YOU MAY LOSE ONE OR MORE MONTHS OF MEDICARE MEDICAL INSURANCE PROTECTION.

IN CLOSING, YOU SHOULD BE AWARE THAT SOCIAL SECURITY BENEFITS, LIKE MEDICARE BENEFITS, ARE NOT AUTOMATIC. YOU MUST APPLY FOR THEM AS WELL. TO RECEIVE DISABILITY OR SURVIVORS' BENEFITS, YOU SHOULD APPLY AS SOON AS YOU'RE ELIGIBLE. TO RECEIVE RETIREMENT BENEFITS, YOU SHOULD APPLY THREE MONTHS BEFORE YOU PLAN TO RETIRE, OR BEFORE YOU WANT YOUR BENEFITS TO BEGIN. THIS WILL ALLOW TIME FOR ALL THE NECESSARY PAPERWORK. WHATEVER YOU DO, DON'T WAIT MORE THAN SIX MONTHS TO APPLY FOR BENEFITS BECAUSE, GENERALLY, THE LAW DOES NOT ALLOW FOR RETROACTIVE PAYMENTS FOR LONGER THAN SIX MONTHS.

NOW I WOULD BE HAPPY TO TAKE ANY QUESTIONS YOU MIGHT HAVE.

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